

ASX Announcement

20 May 2015

COMPANY DETAILS

COBRE MONTANA NL

ABN: 29 126 129 413

ASX CODE: CXB

PRINCIPAL AND REGISTERED OFFICE

Cobre Montana NL
Suite 3
23 Belgravia Street
Belmont WA 6104

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POSTAL ADDRESS

PO Box 588
Belmont WA 6984

CORPORATE INFORMATION

(20 May 2015)
130M Ordinary Shares
50M Contributing Partly Paid Shares
12M Unlisted Options

BOARD OF DIRECTORS

Eduardo Valenzuela
(Non-Executive Chairman)
George Bauk
(Chairman elect)
Adrian Griffin
(Managing Director)
Bryan Dixon (Non-Executive Director)

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COBRE MONTANA ACHIEVES WORLD FIRST WITH LITHIUM PRODUCTION BREAKTHROUGH

HIGHLIGHTS

- **World's first continuous hydrometallurgical production of lithium carbonate from micas**
- **Plant commissioned by Perth's Strategic Metallurgy using feed from Lepidolite Hill in southern WA (CXB 80% FML 20%)**
- **Closed circuit production achieved on 15 May 2015**
- **Preparation underway for production of lithium carbonate for market evaluation**

WORLD FIRST CONTINUOUS LITHIUM CARBONATE PRODUCTION

Australian lithium developer, Perth's Cobre Montana NL (ASX:CXB), together with technology provider, Strategic Metallurgy, has announced a world first in one of the options for producing lithium. The breakthrough has seen new lithium extraction technology under test in Perth on WA samples, this week produce continuous, steady-state production of lithium carbonate, from micas, using hydrometallurgical processes. The outcome for this process has not previously been achieved in the lithium sector.



Processing Lepidolite Hill lithium micas in the Strategic Metallurgy mini-plant

Cobre Montana says that in what is believed to be a world first, the Company's test protocols have demonstrated the ability to produce lithium chemicals from mica without the need for roasting. Under Cobre's approach, the test ore has been ground, digested in sulphuric acid, impurities removed from the solution, and the lithium precipitated as lithium carbonate.

Cobre Montana Managing Director, Mr Adrian Griffin:

"This achievement is a paradigm shift in lithium processing strategies as it removes the energy intensive roasting step that has made the commercial processing of such materials unachievable in the past. We could not have wished for a better result. The plant stabilised rapidly and after a very short period of teething, settled into steady, continuous production. The ease with which this was achieved demonstrates the flexibility of the process, and the skill of the technical team that supports Cobre's endeavours to establish a unique position in the global lithium market."

"The outcome also vindicates the Company's focus on the 'forgotten ore' – the lithium micas, and we will now prepare for the next step in the commercialisation of mica processing as a viable, and competitive alternative to other lithium production."

Mr Griffin said the implications of the Perth tests results were significant for Cobre Montana which has access to abundant deposits of lithium mica amenable to this processing technique. Cobre will continue the continuous testing, with the next run planned to process approximately 400kg of ore and recover a large sample of lithium carbonate for market evaluation. Feed material will come from WA's Lepidolite Hill deposit near Coolgardie (80% Cobre Montana and 20% Focus Minerals Limited (ASX: FML)).

On 16 April 2015, Cobre Montana announced that the estimated operating cost to produce lithium carbonate from micas, that are a by-product of many mining operations, is less than \$2,000 per tonne of lithium carbonate produced. Realisation of this outcome could position the production of lithium carbonate, from mica, at cost levels comparable with the world's cheapest producers.

PREPARATION UNDERWAY FOR PRODUCTION OF LITHIUM CARBONATE FOR MARKET EVALUATION

Continuous testing is a significant step in the development of disruptive lithium production technology based on recovery of lithium chemicals from micas, the most abundant lithium minerals. The process needs to be extended beyond continuous testing and into commercial product evaluation to complete the commercialisation cycle. This will commence with the production of lithium carbonate from Lepidolite Hill, scheduled to commence in June. The lithium carbonate will be sent to end-users for evaluation and independent product endorsement.

ABOUT COBRE MONTANA

Cobre has a technical alliance with Strategic Metallurgy P/L to commercialise disruptive lithium extraction technology based on the recovery of lithium from micas; minerals not generally used as a source of lithium chemicals.

Cobre has a non-binding Heads of Agreement with European Metals Holdings Limited to process lithium mineralisation at Cinovec in the Czech Republic on a 50/50 JV basis. Cinovec contains abundant lithium micas and is one of the world's largest hard-rock lithium occurrences.

In addition, Cobre has strategic alliances with Pilbara Minerals Limited, Focus Minerals Limited and Tungsten Mining NL, to investigate lithium and rare metals in prospective locations of Western Australia close to well-developed infrastructure. Cobre also has lithium exploration assets near Greenbushes and Ravensthorpe in Western Australia.

MEDIA CONTACT:

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